

Right Time Revenue Optimization

More Revenue, Faster



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What is right time revenue optimization? It's marketing that optimizes value to the buyer at any stage of the customer life cycle, dramatically increasing the probability of that customer to purchase in a shorter period of time.

Summary: The Short List

Here's our suggested short list from this paper:

1. Embrace and relish the need for marketing to be at the forefront of driving revenue for your company.
2. Step back and adopt and apply Forrester Research's definition of the customer life cycle:
 - » Discover – lead generation
 - » Explore – nurturing and brand loyalty
 - » Engage – upsell/cross-sell
 - » Buy – buying opportunities
3. Don't assume the data in your marketing automation system and / or CRM are good enough to meet your revenue goals. Step back and define the kind of customer intelligence you need and base it on the customer life cycle for your target market(s).
4. Transform your data into customer intelligence and consider outsourcing the capability. A good database marketing and demand generation firm is not only technically proficient, but has deep experience in understanding complex customer interaction data sets. They will create the highest yield for you, and technology has evolved to make it very cost effective.
5. Create a closed-loop marketing and sales system that includes integration between a marketing data mart, which enables customer intelligence, a marketing automation system, and CRM.
6. Let customer intelligence help formulate your marketing strategy and ensure it is grounded in your company's or division's business objectives.
7. Commit to continuous improvement in your marketing operations, and ensure the business processes of marketing operations are aligned with strategy execution.
8. Leverage the combination of customer intelligence, multi-channel marketing, and a closed-loop system, driven by a continuously improved marketing operations organization, to drive campaigns at the right time, to the right target, with the right offer.



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The customer life cycle, while a critical starting point toward revenue optimization, is merely a framework to apply marketing strategies. The driver of those strategies is customer intelligence.

Introduction: Ready for the New Marketing Revolution?

Marketing is undergoing an unmistakable revolution, driven by the combination of lower demand, hyper competitive world markets, and the complexities and challenges of buyers engaging across a multitude of channels. Evaluating the effectiveness of marketing by brand awareness and market share, alone, is being replaced in the new marketing revolution by achieving short term revenue goals where the new metrics of conversions and sales ready leads are *de rigueur*.

Evaluating marketing on its contribution to revenue is not new. What is new is the *level of complexity* in which it is being evaluated to produce that revenue. Gone are the simple days of total leads and conversions to sales. Instead, the evaluation is based on a dynamic process at multiple stages throughout a customer's life cycle.

Making the process even more complex is the need to target the highest yielding target markets from a revenue *and* profitability perspective in the shortest time possible. The marketing revolution is going to soon accelerate along another dimension – time. Time-to-conversion will spawn an entirely new set of marketing metrics. As a result, marketing is undergoing a full blown revolution, requiring right time revenue optimization.

What is right time revenue optimization? It's marketing that optimizes value to the buyer at any stage of the customer life cycle, dramatically increasing the probability of that customer to purchase in a shorter period of time. Think of it as marketing at the right time, in the right place, and with the right offer in the way the buyer wants to interact with you.

Right time revenue optimization builds on the principles of its close cousin – revenue performance management (RPM) and marketing automation systems. What right time revenue optimization adds is the deep and sophisticated use of customer intelligence, transformed from the creation of a marketing database, to be used in conjunction with marketing strategy and multi-channel marketing campaigns to drive revenue performance throughout the customer life cycle. Right time revenue optimization demand generation services seamlessly integrate with and extend marketing automation systems.

The two, together, create a powerful combination of more revenue, faster.





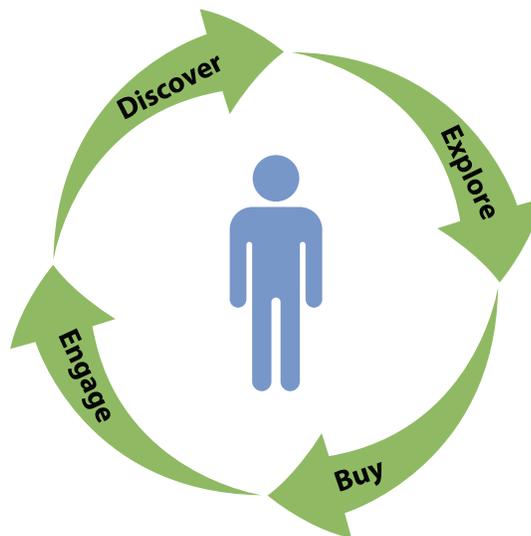
Customers are Kings, but How Do You Find Them?

As marketers, we'll never get away from being close to the customer. But that axiom is taking on new meaning with right time revenue optimization, which focuses on applying customer intelligence to the customer life cycle to spur *meaningful* interaction based on buyer context – where are they, e.g. on a mobile device; what are they doing, e.g. comparison shopping; when are they doing it, e.g. at a mall or in a store.

Let's start with the customer life cycle and see how it applies. Forrester Research defines the customer life cycle in 4 stages (see figure 1):

- Discover – lead generation
- Engage – upsell/cross-sell
- Explore – nurturing and brand loyalty
- Buy – buying opportunities

Figure 1: Forrester Research defines the customer life cycle in 4 stages.



[Source: "Customer Life-Cycle Marketing Demands New Metrics," Forrester Research, Inc., February 8, 2011]

It's simple and it's holistic. For CMOs, a more holistic view of the buying process in the highest potential segments has the direct benefit of creating alignment with the buyer on their terms, increasing the propensity to purchase. There's an indirect benefit too. The customer life cycle maximizes the productivity of the marketing organization while also optimizing marketing spend, producing high ROI. In short, the customer life cycle is the framework to drive the right offer to the right target at the right time through the right channel.

As a result, in today's environment of multiple interaction channels, layered over a multitude of devices, and spawning a deluge of customer data, aligning campaigns





to the customer life cycle becomes paramount to optimize revenue in the shortest time possible.¹ The efficacy of this approach provides a more simplified way to apply customer intelligence, while also being consistent with B2B sales models and the B2C buying process.

Customer Intelligence is the Driver of Revenue Optimization

The customer life cycle, while a critical starting point toward revenue optimization, is merely a framework to apply marketing strategies. The driver of those strategies is customer intelligence.

First, let's put a simple definition of customer intelligence on the table. Customer intelligence focuses on learning more about your business and your customers in *real-time* to drive revenue now (see figure 2).

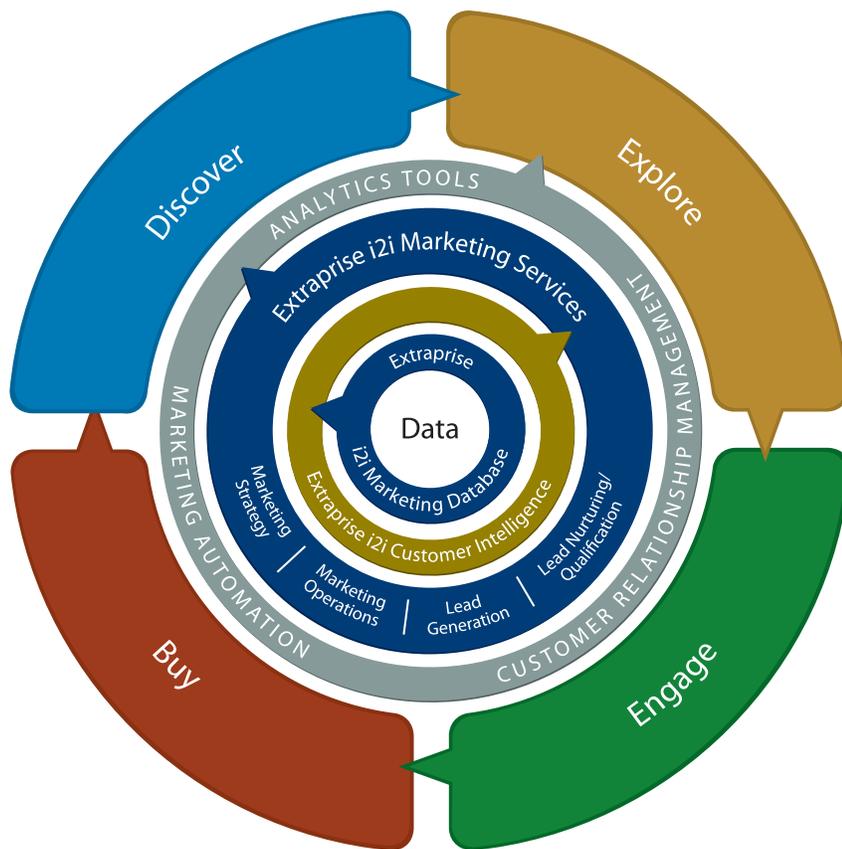
Figure 2: Right Time Revenue Optimization.





Customer intelligence is multi-dimensional across a variety of segmentation attributes, buyer characteristics, and customer interactions, while marrying that information to your business, i.e. penetration rates, revenues, and profitability. It is not static reports or dashboards, merely detailing response rates and conversions by campaign type or even high level segmentation data. That type of information is often contained in a basic database driven by a marketing automation system or CRM. Customer intelligence requires a purpose-built marketing data mart, which is seamlessly integrated with a marketing automation system and CRM (see figure 3). The combination of the three creates a closed-loop marketing and sales system that uses customer intelligence to feed multi-channel marketing campaigns to optimize revenue.

Figure 3: Extraprise's i2i Marketing Services transform data into customer intelligence to drive multi-channel marketing campaigns across any stage of the customer life cycle.





Right-time, multi-channel marketing is where customer intelligence, marketing strategy, and superior marketing operations execution come together to drive buying behavior to optimize revenue.

Second, what kind of customer intelligence do you need and how do you define it? Here are some very typical questions that can help optimize revenue at different stages of the customer life cycle:

- » How many prospects or customers do I have by segment, and what is their interaction or purchasing behavior?
- » What clusters are forming based on segmentation attributes and profile data, and are they sufficient to form a new segment? Can the interaction history tell me how to appeal to the new segment?
- » What is the right offer through the right channel to put in front of prospects that have interacted with my company in different ways in a concentrated timeframe?
- » Which customers are most likely ready to purchase other products right now based on time, use, or service history? What product are they most likely to buy?
- » What is the service history and level of satisfaction of customers, and how can it be used to ensure retention or loyalty, or perhaps create customer referrals?
- » Who are the customers who might respond to offers and messages that could help smooth out seasonal revenue variations?

The information derived from this customer intelligence begins to formulate marketing strategies that are used to drive campaigns, e.g. new market segmentation, market penetration, and brand loyalty strategies.

Marketing Strategy in Right Time Revenue Optimization

Formulating marketing strategies to drive right time revenue optimization, while shaped through customer intelligence, must ultimately tie to your company's or division's business objectives. Here revenue goals based on the saturation of a market's potential, or an understanding of the most profitable segments or parts of your customer base become paramount. Marrying the information gleaned from customer intelligence to business objectives enables far more effective strategic decision making that is then much easier applied to campaign design.





There are four important elements that need to be put in place to help create an effective marketing strategy for right time revenue optimization:

1. Interaction model
2. Organizational design
3. Information and technology
4. Performance measurement

These elements form the foundation needed for effective execution of the multi-channel marketing strategy, embodying customer history and buyer behavior; marketing organization channel responsibility, accountability, and business process; sales and marketing alignment; marketing automation, CRM systems, and business intelligence; and a performance measurement system.

There is, however, an important element that is often overlooked as part of this infrastructure – marketing operations. Marketing operations must be fine-tuned in four areas to fully execute the new marketing strategies to meet business objectives. These include:

1. Organizational readiness
2. Business processes and standard operating procedures
3. Program flows
4. Quality assurance

Creating a streamlined, efficient marketing operations process among these four areas ensures the effectiveness of executing on a closed-loop system to drive and fulfill responses from multi-channel marketing campaigns.

Right-time Multi-Channel Marketing Optimizes Revenue

By now, a level of transformation has occurred within your marketing organization to optimize revenue. There is one more piece, multi-channel marketing that is focused on strategy and campaign execution at the right time.

Right-time, multi-channel marketing is where customer intelligence, marketing strategy, and superior marketing operations execution come together to drive buying behavior to optimize revenue. It is not a stage where marketing operations





About Extraprise

Extraprise is the leader in right time revenue optimization services for B2B and B2C enterprises, offering the only suite of demand generation services that combines customer intelligence with multi-channel marketing campaigns at the right time in the customer life cycle. Spanning a comprehensive suite of services from lead generation to nurturing/brand loyalty to closed sale, and upsell and cross-sell, Extraprise's i2i demand generation services are suitable for clients at all levels of marketing maturity. Delivered through its Guaranteed Success Program as a hosted or on premise service, Extraprise continually meets the evolving marketing needs of its customers by driving tens of millions of customer interactions resulting in hundreds of thousands of buying opportunities from every country and continent. For more information, visit www.extraprise.com, or call +1(888)i2iMKTG or email info@extraprise.com.

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clicks on a button to do a campaign send. Rather, right-time multi-channel marketing campaign execution is where the synergies of marketing strategy and customer intelligence come together to define the right elements of the campaign from the message, to the offer, to the right target, all based on a time dimension that says this prospect is ready for the next level of engagement, or better yet, to buy. Marketing operations is also in a better position to be a strategic catalyst to work with marketing managers and drive continuous improvement of campaigns or to try new ideas. The strength and source of this improvement in collaboration is the use of the marketing data mart to deliver customer intelligence in a closed-loop system.

More Revenue, Faster

More revenue, faster starts with the realization that acceptance of rudimentary or even dirty data means that marketing organizations will underperform relative to their goals and certainly will be at a competitive disadvantage. Achieving a new level of marketing excellence that best positions your organization to take advantage of the new reality of marketing being driven by revenue, requires:

1. Transforming data into customer intelligence
2. Applying customer intelligence to marketing strategy
3. Improving and align marketing operations with the strategy
4. Executing multi-channel campaigns based on strategy and customer intelligence that drives engagement at the right time of the customer life cycle

These four steps embody Right Time Revenue Optimization. To achieve it, marketing organizations must recognize their own distinctive competencies and the levels of sophistication and maturity they can achieve on their own. Fortunately, innovations in technology and process have evolved to enable far more cost effective outside solutions to help marketing organizations achieve Right Time Revenue Optimization.

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